

FINANCE COMMITTEE MEETING

10/07/09

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Meeting Date: October 7, 2009

Called to Order: 6:01 PM

Finance Committee Members Present: Lynn Reynolds, Marje Levenson (arrived at 6:35), Michael Naughton and Rob Allen. John Hanold was absent.

Montague Selectmen Present: Mark Fairbrother

Others Present: Frank Abbondanzio (Town Administrator), Carolyn Olsen (Town Accountant) and Jeff Singleton

Minutes

FC Moved: To approve the minutes of September 23, 2009.

Vote: 3 In Favor 0 Opposed 0 Abstained

Reserve Fund Transfer: Montague Center Library façade.

Bricks have been falling from the building, and the repair involves strengthening the decorative corbelling and relaying 2 courses of bricks.

Mr. Naughton has an issue with having a reserve fund transfer this early in the year. An alternative would be to spend the money from the current budget and then at the next STM have an appropriation to supplement the DPW budget by this amount.

Mr. Allen disagrees and thinks that if you wanted to go by that theory you should do away with the finance committee and have town meeting make all of the decisions. The Finance Committee has been given the authority to make reserve fund transfers and there is no reason to pass that responsibility to town meeting.

Mr. Fairbrother noted that the Board of Selectmen has already discussed this in a televised meeting, it's been in the newspaper, and people are already aware of the issue.

FC Moved: To approve the transfer of \$11,760.00 from the Reserve Fund to DPW-Bldg Building Maintenance and Repair (001-5-420-5242-192).

Vote: 3 In Favor 0 Opposed 0 Abstained

Mr. Naughton's draft letter to School Committee

Draft letter is in minutes file. Does Finance Committee want to send this letter?

- Mr. Allen thinks it's a fine letter and noted that from the School Committee perspective the past has worked fine. Mr. Allen suggested that the letter end with a specific request to meet with them.
- Mr. Abbondanzio suggested adding that the unsupportable issue may be even more extreme with the threat of mid-year cuts to state aid.
- Mr. Naughton is reluctant to get into specifics about current problems because we run risks of emphasizing certain items. Mr. Naughton will add something to the effect of the budget issues are becoming more critical with state revenues dropping.

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- Mr. Allen also suggested that this meeting not be at a School Committee meeting, but a joint meeting unless this is the only thing on the agenda.
- The committee agreed that they need future discussion of what is an affordable GMRSD assessment.

FC Moved: To accept the revised letter, to send the letter to the GMRSD School Committee and Superintendent, and for Mr. Naughton to attend the next School Committee meeting and read the letter as part of the public participation.

Vote: 4 In Favor 0 Opposed 0 Abstained

Information Distribution

The following items were distributed:

- Town Organization Chart
- Update from Boston: FY10 Qtr I shortfall in Tax Revenue
- Mr. Abbondanzio gave update on the proposed charter school for Montague which will come to vote in March. We currently spend \$13,000 per student for charter schools, and the new school will have 260 students. Mr. Kulik's assistant Paul Dunphy has offered to meet with the Finance Committee to discuss the impact to Montague. The Finance Committee decided to move on and discuss this later and noted that this committee is not a good choice to take lead on this issue. It was suggested that the Board of Selectmen take the lead on this and that they be encouraged to hold a public forum on this issue."

Set target for Use of Free Cash and Reserves

- One idea in "difficult year" is to use the same amounts as for FY09 (\$250,000 Free Cash, \$194,411 Town Stabilization and \$94,000 of Education Stabilization)
- Ms. Levenson suggested continuing with last year's plan.
- Mr. Naughton feels strongly that we should not use more than last year.
- The decision to think about is whether to use same amount of reserves as last year or use a lesser amount, perhaps 50% less than we used in FY10, and perhaps no reserves at all."
- Mr. Abbondanzio suggested that we also consider possible cuts in state aid and possible additional amounts needed for the FY10 GMRSD assessment.

Upcoming Dates:

14Oct 09 FinComm meeting 6:00 2nd Floor Meeting Room
21 Oct 09 FinComm meeting 6:00 2nd Floor Meeting Room
28 Oct 09 FinComm meeting 6:00 2nd Floor Meeting Room

Adjourned at 7:30 PM.

Respectfully Submitted,
Carolyn Olsen